

Capitol Federal Financial Inc  
Form 424B3  
November 16, 2010

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CAPITOL FEDERAL FINANCIAL LOGO

November 12, 2010

Dear Fellow Stockholder:

You are cordially invited to attend the special meeting of stockholders of Capitol Federal Financial. The meeting will be held on December 15, 2010 at 1:30 p.m., Central Time, at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas.

**The Proxy Vote — Your Vote Is Very Important**

We are again soliciting stockholder votes regarding the Plan of Conversion and Reorganization of Capitol Federal Savings Bank MHC (the “plan of conversion”), pursuant to which our organization will convert from a partially public company to a fully public company.

The plan of conversion was previously approved by stockholders on August 24, 2010. Due to a decrease in the pro forma valuation of the common stock of Capitol Federal Financial, Inc. which also resulted in a change to the exchange ratio of Capitol Federal Financial (“CFF”) shares for shares of Capitol Federal Financial, Inc., we are again seeking our stockholders' approval of the plan of conversion. For the same reason, stockholders again are being asked to approve the contribution of \$40 million in cash from the proceeds of the stock offering to the Capitol Federal Foundation, as well as the informational proposals with respect to the articles of incorporation and bylaws of Capitol Federal Financial, Inc.

Enclosed is a proxy statement/prospectus describing the proposals before our stockholders. Please promptly vote the enclosed Proxy Card. Our Board of Directors urges you to vote “FOR” each of the proposals set forth in the attached proxy statement/prospectus.

**The Exchange**

At the conclusion of the conversion, your shares of CFF common stock will be exchanged for shares of Capitol Federal Financial, Inc. The number of shares of Capitol Federal Financial, Inc. common stock that you receive will be based on an exchange ratio that is described in the proxy statement/prospectus. Shortly after the completion of the conversion, our exchange agent will send a transmittal form to each stockholder of CFF who holds stock certificates. The transmittal form will explain the procedure to follow to exchange your shares. Please do not deliver your certificate(s) before you receive the transmittal form. Shares of CFF that are held in street name (e.g. in a brokerage account) will be converted automatically at the conclusion of the conversion; no action or documentation is required of you.

The Stock Offering

We are offering the shares of common stock of Capitol Federal Financial, Inc. for sale at \$10.00 per share. The shares are being offered in a Community Offering to members of Capitol Federal Savings Bank MHC who exercised their subscription rights by subscribing for shares in the initial offering. Subject to the priority rights of these former subscribers, the shares are concurrently being offered to the general public in a community offering. If you are interested in purchasing shares of Capitol Federal Financial, Inc. common stock, you may request a Community Stock Order Form and prospectus by calling our Stock Information Center at the phone number set forth in the Questions and Answers section that follows. The stock offering period is expected to expire on December 7, 2010.

Should you have any questions, please refer to the Questions & Answers section.

As Chairman of the Board, I want to express my continuing appreciation for your confidence and support.

Very truly yours,

John B. Dicus  
Chairman of the Board

This letter is neither an offer to sell nor a solicitation of an offer to buy shares of common stock. The offer is made only by the prospectus. These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

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PROSPECTUS OF CAPITOL FEDERAL FINANCIAL, INC.

PROXY STATEMENT OF CAPITOL FEDERAL FINANCIAL

Capitol Federal Savings Bank is converting from a mutual holding company structure to a fully-public stock holding company structure. Currently, Capitol Federal Savings Bank is a wholly-owned subsidiary of Capitol Federal Financial (“CFF”), and Capitol Federal Savings Bank MHC owns 71% of CFF’s common stock. The remaining 29% of CFF’s common stock is owned by public stockholders. As a result of the conversion, a newly formed company, Capitol Federal Financial, Inc., will become the parent of Capitol Federal Savings Bank. Each share of CFF common stock owned by the public will be exchanged for shares of common stock of Capitol Federal Financial, Inc. so that CFF’s existing public stockholders will own the same percentage of Capitol Federal Financial, Inc. common stock as they owned of CFF’s common stock immediately prior to the conversion, excluding any new shares purchased by them in the offering and their receipt of cash in lieu of fractional exchange shares, as further discussed below. The actual number of shares that you will receive will depend on the percentage of CFF common stock held by the public at the completion of the conversion, the final independent appraisal of Capitol Federal Financial, Inc. and the number of shares of Capitol Federal Financial, Inc. common stock sold in the offering described in the following paragraph. It will not depend on the market price of CFF common stock. See “Proposal 1 — Approval of the Plan of Conversion and Reorganization — Share Exchange Ratio for Current Stockholders” for a discussion of the exchange ratio.

Concurrently with the exchange, we are offering up to 159,850,000 shares of common stock of Capitol Federal Financial, Inc., representing the 71% ownership interest of Capitol Federal Savings Bank MHC in CFF in a resolicitation and extension of an offering that was initially commenced in July 2010. The shares are being offered first for sale to members of Capitol Federal Savings Bank MHC who exercised their subscription rights by subscribing for shares in the initial offering and then to the public, including CFF stockholders, at a price of \$10.00 per share. The conversion of Capitol Federal Savings Bank MHC and the offering and exchange of common stock by Capitol Federal Financial, Inc. is referred to herein as the “conversion and offering.” After the conversion and offering are completed, Capitol Federal Savings Bank will be a wholly-owned subsidiary of Capitol Federal Financial, Inc. and 100% of the common stock of Capitol Federal Financial, Inc. will be owned by public stockholders. As a result of the conversion and offering, CFF and Capitol Federal Savings Bank MHC will cease to exist.

In connection with the conversion and offering, Capitol Federal Financial, Inc. also intends to contribute to the Capitol Federal Foundation \$40 million in cash. See “Proposal 2 — Contribution to the Charitable Foundation.”

CFF’s common stock is currently traded on the Nasdaq Global Select Market under the symbol “CFFN.” We expect that Capitol Federal Financial, Inc.’s shares of common stock will trade on the Nasdaq Global Select Market under the trading symbol CFFND for a period of 20 trading days following the completion of this stock offering. Thereafter, the trading symbol will revert to CFFN.

The conversion and offering cannot be completed unless the stockholders of CFF approve the Plan of Conversion and Reorganization of Capitol Federal Savings Bank MHC, referred to herein as the “plan of conversion.” Although our stockholders approved the plan of conversion on August 24, 2010, we were unable to complete the stock offering within the original offering range. We have obtained an updated appraisal of our pro forma valuation, which resulted in a change to the exchange ratio of CFF shares for shares of Capitol Federal Financial, Inc. As a result, we are again seeking the approval of our stockholders on the plan of conversion.

CFF is holding a special meeting of stockholders at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas, on December 15, 2010, at 10:00 a.m., Central Time, to consider and vote upon the plan of conversion. CFF’s Board of Directors unanimously recommends that stockholders vote “FOR” the plan of conversion.

The contribution to the charitable foundation must also be approved by the stockholders of CFF at the special meeting of stockholders. However, the completion of the conversion and offering is not dependent upon the approval of the contribution to the charitable foundation. CFF's board of directors unanimously recommends that stockholders vote "FOR" the contribution to the charitable foundation.

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This document serves as the proxy statement for the special meeting of stockholders of CFF and the prospectus for the shares of Capitol Federal Financial, Inc. common stock to be issued in exchange for shares of CFF common stock. We urge you to read this entire document carefully. You can also obtain information about us from documents that we have filed with the Securities and Exchange Commission and the Office of Thrift Supervision. This document does not serve as the prospectus relating to the offering by Capitol Federal Financial, Inc. of its shares of common stock in the offering, which is being made pursuant to a separate prospectus. Stockholders of CFF are not required to purchase any shares in the stock offering.

This proxy statement/prospectus contains information that you should consider in evaluating the plan of conversion. In particular, you should carefully read the section captioned "Risk Factors" beginning on page 18 for a discussion of certain risk factors relating to the conversion and offering.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

None of the Securities and Exchange Commission, the Office of Thrift Supervision or any state securities regulator has approved or disapproved of these securities or determined if this proxy statement/prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

For answers to your questions, please read this proxy statement/prospectus, including the Questions and Answers section, beginning on page 1. Questions about voting on the plan of conversion or any other proposal set forth in this proxy statement/prospectus may be directed to our Stock Information Center, at 1-877-518-0123, Monday through Friday from 10:00 a.m. to 4:00 p.m., Central Time. The Stock Information Center will be closed Thursday and Friday, November 25th and 26th in observance of the Thanksgiving holiday.

The date of this proxy statement/prospectus is November 12, 2010, and it is first being mailed to stockholders of CFF on or about November 15, 2010.

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CAPITOL FEDERAL FINANCIAL  
700 South Kansas Avenue  
Topeka, Kansas 66603  
(785) 235-1341

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

On December 15, 2010, Capitol Federal Financial will hold a special meeting of stockholders at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas. The meeting will begin at 1:30 p.m., Central Time. At the meeting, stockholders will consider and act on the following:

1. Approval of a Plan of Conversion and Reorganization (referred to as the “plan of conversion”) pursuant to which:
  - (a) Capitol Federal Savings Bank MHC, which currently owns 71% of the common stock of Capitol Federal Financial, will merge with and into Capitol Federal Financial, with Capitol Federal Financial being the surviving entity,
  - (b) Capitol Federal Financial will merge with and into Capitol Federal Financial, Inc., a Maryland corporation recently formed to be the holding company for Capitol Federal Savings Bank, with Capitol Federal Financial, Inc. being the surviving entity,
  - (c) the outstanding shares of Capitol Federal Financial, other than those held by Capitol Federal Savings Bank MHC, will be converted into shares of common stock of Capitol Federal Financial, Inc., and
  - (d) Capitol Federal Financial, Inc. will offer shares of its common stock for sale in a community offering, and, if necessary, a syndicated offering;
2. The contribution of \$40 million in cash from the proceeds of the stock offering to the Capitol Federal Foundation, a Kansas not-for-profit corporation that is dedicated to charitable purposes within the communities in which Capitol Federal Savings Bank conducts its business;
3. The approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion;
4. The following informational proposals:
  - 4a. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the ability of stockholders to remove directors;
  - 4b. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote to approve certain amendments to Capitol Federal Financial, Inc.’s articles of incorporation;
  - 4c. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote of stockholders to approve stockholder-proposed amendments to Capitol Federal Financial, Inc.’s bylaws;
  - 4d. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of Capitol Federal Financial, Inc.’s outstanding voting stock; and
5. Such other business that may properly come before the meeting.

NOTE: The Board of Directors is not aware of any other business to come before the meeting.

The provisions of Capitol Federal Financial, Inc.’s articles of incorporation and bylaws which are summarized as informational proposals 4a through 4d were approved as part of the process in which our Board of Directors approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision’s

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regulations governing mutual-to-stock conversions do not provide for a separate vote on these matters apart from the vote on the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion, regardless of whether stockholders vote to approve any or all of the informational proposals.

The Board of Directors has fixed November [ ], 2010, as the record date for the determination of stockholders entitled to notice of and to vote at the special meeting and at an adjournment or postponement thereof.

Please complete and sign the enclosed proxy, which is solicited by the Board of Directors, and mail it promptly in the enclosed envelope. If you prefer, you may vote by using the telephone or Internet. For information on submitting your proxy or voting by telephone or Internet, please refer to instructions on the enclosed proxy card. The proxy will not be used if you attend the meeting and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

JOHN B. DICUS  
CHAIRMAN OF THE BOARD

Topeka, Kansas  
November 12, 2010

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QUESTIONS AND ANSWERS  
ABOUT THE PLAN OF CONVERSION AND REORGANIZATION  
AND THE SPECIAL MEETING

You should read this document for more information about the conversion and reorganization, as well as the special meeting of stockholders. The plan of conversion and reorganization described herein (referred to as the “plan of conversion”) and the contribution to our charitable foundation have been conditionally approved by our primary federal regulator, the Office of Thrift Supervision; however, such approval does not constitute a recommendation or endorsement of the plan of conversion by that agency.

**Q. WHAT ARE STOCKHOLDERS BEING ASKED TO APPROVE AT THE SPECIAL MEETING?**

A. CFF stockholders as of November 8, 2010 are being asked to vote on the plan of conversion pursuant to which Capitol Federal Savings Bank MHC will convert from the mutual to the stock form of organization. As part of the conversion, a newly formed Maryland corporation, Capitol Federal Financial, Inc., is offering its common stock to members of Capitol Federal Savings Bank MHC who subscribed in the initial offering, to stockholders of CFF as of July 2, 2010 who subscribed in the initial offering and to the public. The shares offered represent Capitol Federal Savings Bank MHC’s current 71% ownership interest in CFF. Voting for approval of the plan of conversion will also constitute approval of the exchange ratio and the articles of incorporation and bylaws of Capitol Federal Financial, Inc. (including the anti-takeover provisions and provisions limiting stockholder rights).

Stockholders are also being asked to vote on and approve a proposal to fund the Capitol Federal Foundation with \$40 million in cash from the proceeds of the stock offering and a proposal to adjourn the special meeting if necessary to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion and/or the contribution to the charitable foundation.

Stockholders also are asked to vote on the following informational proposals with respect to the articles of incorporation and bylaws of Capitol Federal Financial, Inc.:

Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the ability of stockholders to remove directors;

Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote to approve certain amendments to Capitol Federal Financial, Inc.’s articles of incorporation;

Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote of stockholders to approve stockholder-proposed amendments to Capitol Federal Financial, Inc.’s bylaws; and

Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of Capitol Federal Financial, Inc.’s outstanding voting stock.

The provisions of Capitol Federal Financial, Inc.’s articles of incorporation and bylaws that are included as informational proposals were approved as part of the process in which our Board of Directors approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision’s regulations governing mutual-to-stock conversions do not provide for a separate vote on these matters apart from the vote on the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of Capitol Federal Financial, Inc.’s articles of incorporation and bylaws which are

summarized above as informational proposals may have the effect of deterring, or rendering more difficult, attempts by third parties to obtain control of Capitol Federal Financial, Inc. if such attempts are not approved by the Board of Directors, or may make the removal of the Board of Directors or management, or the appointment of new directors, more difficult.

Your vote is important. Without sufficient votes “FOR” approval of the plan of conversion, we cannot implement the plan of conversion and the related stock offering. We also cannot fund the charitable foundation without sufficient votes “FOR” that proposal.

**Q. WHAT ARE THE REASONS FOR THE CONVERSION AND RELATED OFFERING?**

A. Our primary reasons for converting and raising additional capital through the offering are:

to eliminate some of the uncertainties associated with financial regulatory reforms, which will result in changes to our primary bank regulator and holding company regulator as well as changes in regulations applicable to us, including, but not limited to, capital requirements, payment of dividends and conversion to full stock form;

the stock holding company structure is a more familiar form of organization, which we believe will make our common stock more appealing to investors, and will give us greater flexibility to access the capital markets through possible future equity and debt offerings, although we have no current plans, agreements or understandings regarding any additional securities offerings;

to improve the liquidity of our shares of common stock and provide more flexible capital management strategies; and

to finance, where opportunities are presented, the acquisition of financial institutions or their branches or other financial service companies primarily in, or adjacent to, our market areas, although we do not currently have any understandings or agreements regarding any specific acquisition transaction.

**Q. WHAT ARE THE REASONS FOR THE CONTRIBUTION TO THE CHARITABLE FOUNDATION?**

A. Capitol Federal Savings Bank has a long-standing commitment to charitable contributions within the communities in which we conduct our business. The foundation has enhanced our ability to support community development and charitable causes and additional funding will enable us to increase our commitment to our communities.

**Q. HOW WILL THE CONTRIBUTION TO THE CHARITABLE FOUNDATION AFFECT THE NEW STOCK HOLDING COMPANY AND ITS STOCKHOLDERS?**

A. The contribution of cash to the charitable foundation will result in an expense, and a related reduction in earnings, for the new holding company for the quarter in which the conversion is completed.

**Q. WHAT WILL STOCKHOLDERS RECEIVE FOR THEIR EXISTING CFF SHARES?**

A. As more fully described in “Proposal 1 — Approval of the Plan of Conversion and Reorganization — Share Exchange Ratio for Current Stockholders,” depending on the number of shares sold in the offering and the percentage of CFF common stock then held by the public, each share of common stock that you own at the time of the completion of the conversion will be exchanged for shares of common stock of Capitol Federal Financial, Inc. Assuming we complete the offering within the current offering range, the exchange ratio will be between 2.2637 shares at the minimum and 3.0627 shares at the maximum of the offering range of Capitol Federal Financial, Inc. common stock (cash will be paid in lieu of any fractional shares). For example, if you own 100 shares of CFF common stock, and the exchange ratio is 2.6632 (at the midpoint of the offering range), after the conversion you will receive 266 shares of Capitol Federal Financial, Inc. common stock and \$3.20 in cash, the value of the fractional share, based on the \$10.00 per share purchase price of stock in the offering.

Approval of the plan of conversion will constitute approval of the exchange ratio. Existing public stockholders of CFF will retain the same percentage ownership of our organization after the offering, exclusive of their purchase of any additional shares of common stock in the offering and their receipt of cash in lieu of fractional exchange shares.

**Q. WHY WILL THE SHARES THAT I RECEIVE BE BASED ON A PRICE OF \$10.00 PER SHARE RATHER THAN THE TRADING PRICE OF THE COMMON STOCK PRIOR TO COMPLETION OF THE CONVERSION?**

A. The \$10.00 per share price was selected primarily because it is a commonly selected per share price for mutual-to-stock conversion offerings. The amount of common stock Capitol Federal Financial, Inc. will issue at \$10.00 per share in the offering and the exchange is based on an independent appraisal of the estimated market value of Capitol Federal Financial, Inc. and the number of shares sold in the offering, assuming the conversion and offering are completed. RP Financial, LC., an appraisal firm experienced in appraisals of financial institutions, has updated its appraisal, as of August 30, 2010, and has estimated that this market value ranged from \$1.67 billion to \$2.27 billion, with a midpoint of \$1.97 billion. Based on this valuation, the number of shares of common stock of Capitol Federal Financial, Inc. that existing public stockholders of CFF will receive in exchange for their shares of CFF common stock will range from 49,344,965 to 66,760,835, with a midpoint of 58,052,900 (with a value of \$493.4 million to \$667.6 million, and a midpoint of \$580.5 million, at \$10.00 per share). The number of shares received by the existing public stockholders of CFF is intended to maintain their existing 29% ownership in our organization (excluding any new shares purchased by them in the offering and their receipt of cash in lieu of fractional exchange shares). As such, approval of the plan of conversion by the stockholders of CFF will constitute approval of the exchange ratio. The independent appraisal is based primarily on CFF’s financial condition and results of operations, the pro forma impact of the additional capital raised by the sale of shares of common stock in the offering, and an analysis of a peer group of nine publicly traded savings bank and thrift holding companies that RP Financial, LC. considered comparable to CFF.

**Q. DOES THE EXCHANGE RATIO DEPEND ON THE TRADING PRICE OF CFF COMMON STOCK?**

A. No, the exchange ratio will not be based on the market price of CFF common stock. Therefore, changes in the price of CFF common stock between now and the completion of the conversion and offering will not affect the calculation of the exchange ratio.

**Q. SHOULD I SUBMIT MY STOCK CERTIFICATES NOW?**

A. No. If you hold stock certificate(s), instructions for exchanging the certificates will be sent to you by our exchange agent after completion of the conversion. If your shares are held in “street name” (e.g., in a brokerage account) rather than in certificate form, the share exchange will be reflected automatically in your account upon

completion of the conversion.

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**Q. HOW DO I VOTE?**

A. Mark your vote, sign each proxy card enclosed and return the card(s) to us, in the enclosed proxy reply envelope. If you prefer, you may vote by using the telephone or Internet. For information on submitting your proxy or voting by telephone or Internet, please refer to instructions on the enclosed proxy card. Your vote is important! Please vote promptly.

You may also vote in person at the special meeting. If you plan to attend the special meeting and wish to vote in person, we will give you a ballot at the special meeting. However, if your shares are held in the name of your broker, bank or other nominee, you will need to obtain a proxy form from the institution that holds your shares indicating that you were the beneficial owner of CFF common stock on November 8, 2010, the record date for voting at the special meeting.

**Q. IF MY SHARES ARE HELD IN STREET NAME, WILL MY BROKER, BANK OR OTHER NOMINEE AUTOMATICALLY VOTE ON THE PLAN AND THE CONTRIBUTION TO THE FOUNDATION ON MY BEHALF?**

A. No. Your broker, bank or other nominee will not be able to vote your shares on these matters without instructions from you. You should instruct your broker, bank or other nominee to vote your shares, using the directions that they provide to you.

**Q. WHAT HAPPENS IF I DON'T VOTE?**

A. Your vote is very important. Not voting will have the same effect as voting "AGAINST" the plan of conversion. Without sufficient favorable votes "FOR" the plan of conversion, we will not proceed with the conversion and offering. Without sufficient favorable votes "FOR" the contribution to the charitable foundation, we cannot fund the charitable foundation. Our Board of Directors unanimously recommends that you vote "FOR" each of the proposals set forth in this proxy statement/prospectus.

**Q. WHAT IF I DO NOT GIVE VOTING INSTRUCTIONS TO MY BROKER, BANK OR OTHER NOMINEE?**

A. Your vote is important. If you do not instruct your broker, bank or other nominee to vote your shares, the "unvoted" proxy will have the same effect as a vote "against" the plan of conversion and "against" the contribution to the charitable foundation.

**Q. MAY I PLACE AN ORDER TO PURCHASE SHARES IN THE OFFERING, IN ADDITION TO THE SHARES THAT I WILL RECEIVE IN THE EXCHANGE?**

A. Yes. Members of Capitol Federal Savings Bank MHC who subscribed in the initial offering have priority rights allowing them to purchase common stock. Shares not purchased by former subscribers are expected to be sold to the public in the community offering, as described herein. In the event orders for Capitol Federal Financial, Inc. common stock in the community offering exceed the number of shares available for sale, shares may be allocated (to the extent shares remain available) first to cover orders of natural persons residing in the counties and metropolitan statistical areas in which we have offices; second to cover orders of CFF stockholders as of July 2, 2010 who subscribed in the initial offering; and thereafter to cover orders of the general public. Stockholders of CFF are subject to an ownership limitation. Shares of common stock that you purchase in the offering individually and together with associates and persons acting in concert, plus any shares you receive in exchange for existing shares of CFF common stock, may not exceed 5% of the total shares of common stock to be issued and outstanding after the completion of the conversion and offering, subject to increase as permitted with OTS approval. See "Proposal 1 — Approval of the Plan of Conversion

and Reorganization — Additional Limitations on Common Stock Purchases.” If you would like to receive a prospectus and stock order form, you must call our Stock Information Center at 877-518-0123, Monday through Friday between 10:00 a.m. and 4:00 p.m., Central Time. The Stock Information Center is closed weekends and bank holidays.

**Q. WILL THE CONVERSION HAVE ANY EFFECT ON DEPOSIT AND LOAN ACCOUNTS AT CAPITOL FEDERAL SAVINGS BANK?**

A. No. The account number, amount, interest rate and withdrawal rights of deposit accounts will remain unchanged. Deposits will continue to be federally insured by the Federal Deposit Insurance Corporation up to the legal limit. Loans and rights of borrowers will not be affected. Depositors will no longer have voting rights in the mutual holding company, which will cease to exist, after the conversion and offering. Only stockholders of Capitol Federal Financial, Inc. will have voting rights after the conversion and offering.

**Q. WHAT IF THE PLAN OF CONVERSION AND REORGANIZATION IS APPROVED BUT THE CONTRIBUTION TO THE CHARITABLE FOUNDATION IS NOT APPROVED?**

A. The contribution to the charitable foundation will only be made if both proposals are approved. If the contribution to the charitable foundation is not approved, our board of directors will complete the conversion and stock offering without the contribution to the charitable foundation.

#### OTHER QUESTIONS?

For answers to other questions, please read this proxy statement/prospectus. Questions about voting on the plan of conversion or other matters to be considered at the special meeting or about the stock offering may be directed to our Stock Information Center, at 877-518-0123, Monday through Friday from 10:00 a.m. to 4:00 p.m., Central Time. The Stock Information Center is closed weekends and bank holidays.

## SUMMARY

This summary highlights material information from this proxy statement/prospectus and may not contain all the information that is important to you. To understand the conversion and other proposals fully, you should read this entire document carefully, including the sections entitled “Risk Factors,” “Proposal 1 — Approval of The Plan of Conversion and Reorganization,” “Proposal 2 — Contribution to the Charitable Foundation,” “Proposal 3— Adjournment of the Special Meeting,” “Proposals 4a through 4d — Informational Proposals Related to the Articles of Incorporation and By laws of Capitol Federal Financial, Inc.” and the consolidated financial statements and the notes to the consolidated financial statements.

### The Capitol Federal Financial Special Meeting

**Date, Time and Place.** CFF will hold its special meeting of stockholders at the Bradbury Thompson Center, 1700 S.W. Jewell, located on the Washburn University Campus, in Topeka, Kansas., on December 15, 2010, at 1:30 p.m., Central Time.

**The Proposals.** Stockholders will be voting on the following proposals at the special meeting:

1. Approval of a plan of conversion pursuant to which: (a) Capitol Federal Savings Bank MHC, which currently owns 71% of the common stock of CFF, will merge with and into CFF, with CFF being the surviving entity, (b) CFF will merge with and into Capitol Federal Financial, Inc., a Maryland corporation recently formed to be the holding company for Capitol Federal Savings Bank, with Capitol Federal Financial, Inc. being the surviving entity, (c) the outstanding shares of CFF, other than those held by Capitol Federal Savings Bank MHC, will be converted into shares of common stock of Capitol Federal Financial, Inc., and (d) Capitol Federal Financial, Inc. will offer shares of its common stock for sale in a community offering, and, if necessary, a syndicated offering;
2. The contribution of \$40 million in cash from the proceeds of the stock offering to the Capitol Federal Foundation, a Kansas corporation not-for-profit that is dedicated to charitable purposes within the communities in which Capitol Federal Savings Bank conducts its business;
3. Approval of the adjournment of the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion;
4. The following informational proposals:
  - 4a. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the ability of stockholders to remove directors;
  - 4b. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote to approve certain amendments to Capitol Federal Financial, Inc.’s articles of incorporation;
  - 4c. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation requiring a super-majority vote of stockholders to approve stockholder-proposed amendments to Capitol Federal Financial, Inc.’s bylaws;
  - 4d. Approval of a provision in Capitol Federal Financial, Inc.’s articles of incorporation to limit the voting rights of shares beneficially owned in excess of 10% of Capitol Federal Financial, Inc.’s outstanding voting stock; and

5. Such other business that may properly come before the meeting.

The provisions of Capitol Federal Financial, Inc.'s articles of incorporation and bylaws which are summarized as informational proposals 4a through 4d were approved as part of the process in which our Board of Directors approved the plan of conversion. These proposals are informational in nature only, because the Office of Thrift Supervision's regulations governing mutual-to-stock conversions do not provide for a separate vote on these matters apart from the vote on the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion, regardless of whether stockholders vote to approve any or all of the informational proposals. The provisions of Capitol Federal Financial, Inc.'s articles of incorporation and bylaws which are summarized as informational proposals may have the effect of deterring or rendering more difficult attempts by third parties to obtain control of Capitol Federal Financial, Inc., if such attempts are not approved by the Board of Directors, or may make the removal of the Board of Directors or management, or the appointment of new directors, more difficult.

Vote Required for Approval of Proposals by the Stockholders of Capitol Federal Financial

Proposal 1: Approval of the Plan of Conversion. We must obtain the affirmative vote of (i) two-thirds of the total number of votes entitled to be cast by CFF stockholders at the special meeting, including shares held by Capitol Federal Savings Bank MHC, and (ii) a majority of the total number of votes entitled to be cast by CFF stockholders at the special meeting other than Capitol Federal Savings Bank MHC.

Proposal 2: Approval of the Contribution to the Charitable Foundation. The contribution of \$40 million in cash from the proceeds of the stock offering to the Capitol Federal Foundation must be approved by at least a majority of the total number of votes entitled to be cast at the special meeting by CFF stockholders, and by at least a majority of the total number of votes entitled to be cast at the special meeting by CFF stockholders other than Capitol Federal Savings Bank MHC.

Proposal 3: Approval of the adjournment of the special meeting. We must obtain the affirmative vote of a majority of the total number of votes cast at the special meeting by CFF stockholders to adjourn the special meeting, if necessary, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the plan of conversion and/or the contribution to the Capitol Federal Foundation.

Informational Proposals 4a through 4d. The provisions of Capitol Federal Financial, Inc.'s articles of incorporation and bylaws which are summarized as informational proposals were approved as part of the process in which the Board of Directors of CFF approved the plan of conversion. While we are asking you to vote with respect to each of the informational proposals listed above, the proposed provisions for which an informational vote is requested will become effective if stockholders approve the plan of conversion, regardless of whether stockholders vote to approve any or all of the informational proposals.

The Companies

Capitol Federal Financial, Inc. is a newly formed Maryland corporation that was incorporated in April 2010 to be the successor corporation to CFF upon completion of the conversion. Capitol Federal Financial, Inc. will own all of the outstanding shares of common stock of Capitol Federal Savings Bank upon completion of the conversion. Capitol Federal Financial, Inc.'s executive offices are located at 700 South Kansas Avenue, Topeka, Kansas 66603. Our telephone number at this address is (785) 235-1341.

Capitol Federal Savings Bank MHC. Capitol Federal Savings Bank MHC is the federally chartered mutual holding company of CFF. Capitol Federal Savings Bank MHC's principal business activity is the ownership of 52,192,817 shares of common stock of CFF, or 71% of the issued and outstanding shares as of October 11,

2010. After the completion of the conversion, Capitol Federal Savings Bank MHC will cease to exist.

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Capitol Federal Financial. CFF is a federally chartered stock holding company that owns all of the outstanding common stock of Capitol Federal Savings Bank. At June 30, 2010, CFF had consolidated assets of \$8.54 billion, deposits of \$4.37 billion and stockholders' equity of \$960.0 million. After the completion of the conversion, CFF will cease to exist, and will be succeeded by Capitol Federal Financial, Inc. As of October 11, 2010, CFF had 73,992,678 shares of common stock issued and outstanding, of which 52,192,817 shares were owned by Capitol Federal Savings Bank MHC. The remaining 21,799,861 shares of CFF common stock outstanding as of that date were held by the public.

Capitol Federal Savings Bank. Capitol Federal Savings Bank is a federally chartered stock savings bank headquartered in Topeka, Kansas. Capitol Federal Savings Bank was founded in 1893 as a mutual savings institution. In 1999, Capitol Federal Savings Bank converted to stock form and became the wholly owned subsidiary of CFF as part of a mutual holding company reorganization and stock issuance. Capitol Federal Savings Bank provides a full range of retail banking services through its 35 traditional and 11 in-store banking offices serving primarily the metropolitan areas of Topeka, Wichita, Lawrence, Manhattan, Emporia and Salina, Kansas and a portion of the metropolitan area of greater Kansas City.

#### Plan of Conversion

The Boards of Directors of CFF, Capitol Federal Savings Bank MHC, Capitol Federal Savings Bank and Capitol Federal Financial, Inc. have adopted a plan of conversion pursuant to which Capitol Federal Savings Bank will reorganize from a mutual holding company structure to a stock holding company structure. Public stockholders of CFF will receive shares of Capitol Federal Financial, Inc. in exchange for their shares of CFF common stock based on an exchange ratio. This conversion to a stock holding company structure also includes the offering by Capitol Federal Financial, Inc. of shares of its common stock to subscribers in the initial offering and the public in a community offering and/or syndicated offering. Following the conversion and offering, Capitol Federal Savings Bank MHC and CFF will no longer exist, and Capitol Federal Financial, Inc. will be the parent company of Capitol Federal Savings Bank.

The conversion and offering cannot be completed unless the stockholders of CFF approve the plan of conversion. CFF's stockholders will vote on the plan of conversion at CFF's special meeting. This document is the proxy statement used by CFF's Board of Directors to solicit proxies for the special meeting. It is also the prospectus of Capitol Federal Financial, Inc. regarding the shares of Capitol Federal Financial, Inc. common stock to be issued to CFF's stockholders in the share exchange. This document does not serve as the prospectus relating to the offering by Capitol Federal Financial, Inc. of its shares of common stock in the community offering or syndicated offering, which is being made pursuant to a separate prospectus.

In connection with the conversion and offering, Capitol Federal Financial, Inc. also intends to contribute to the Capitol Federal Foundation \$40 million in cash. The contribution to the foundation must be approved by the stockholders of CFF. Stockholder approval of the contribution to the charitable foundation is not, however, a condition to the completion of the conversion and offering.

#### Our Current Organizational Structure

In 1999, CFF became the mid-tier stock holding company of Capitol Federal Savings Bank, owning 100% of Capitol Federal Savings Bank's stock, and conducted an initial public offering by selling a minority of CFF's common stock to the public. The majority of the outstanding shares of common stock of CFF are owned by Capitol Federal Savings Bank MHC, which is a federally chartered mutual holding company with no stockholders.

Pursuant to the terms of the plan of conversion, Capitol Federal Savings Bank will convert from the mutual holding company to the stock holding company corporate structure. As part of the conversion, we are offering for sale in a community offering and a syndicated offering, the majority ownership interest of CFF that is currently owned by Capitol Federal Savings Bank MHC. In addition, we intend to make a cash contribution to our existing charitable foundation. Upon completion of the conversion, Capitol Federal Savings Bank MHC will cease to exist, and we will complete the transition from partial to full public stock ownership. In addition, as part of the conversion, existing public stockholders of CFF will receive shares of common stock of Capitol Federal Financial, Inc. in exchange for their shares of CFF common stock pursuant to an exchange ratio that maintains their same percentage ownership in Capitol Federal Financial, Inc. (excluding any new shares purchased by them in the offering and their receipt of cash in lieu of fractional exchange shares) they had in CFF immediately prior to the completion of the conversion and offering.

The following diagram shows our current organizational structure:

#### Our Organizational Structure Following the Conversion

After the conversion and offering are completed, we will be organized as a fully public stock holding company, as follows:

#### Reasons for the Conversion and the Offering

Our primary reasons for converting and raising additional capital through the offering are:

to eliminate some of the uncertainties associated with financial regulatory reforms, which will result in changes to our primary bank regulator and holding company regulator as well as changes in regulations applicable to us, including, but not limited to, capital requirements, payment of dividends and conversion to full stock form;

the stock holding company structure is a more familiar form of organization, which we believe will make our common stock more appealing to investors, and will give us greater flexibility to access the capital markets through possible future equity and debt offerings, although we have no current plans, agreements or understandings regarding any additional securities offerings;

to improve the liquidity of our shares of common stock and provide more flexible capital management strategies; and

to finance, where opportunities are presented, the acquisition of financial institutions or their branches or other financial service companies primarily in, or adjacent to, our market areas, although we do not currently have any understandings or agreements regarding any specific acquisition transaction.

#### Conditions to Completion of the Conversion

The Office of Thrift Supervision has conditionally approved the plan of conversion; however, this approval does not constitute a recommendation or endorsement of the plan of conversion by that agency.

We cannot complete the conversion unless:

The plan of conversion is approved by a vote of at least two-thirds of the outstanding shares of common stock of CFF as of November 8, 2010, including shares held by Capitol Federal Savings Bank MHC. (Because Capitol Federal Savings Bank MHC owns 71% of the outstanding shares of CFF common stock, we expect that Capitol Federal Savings Bank MHC and our directors and executive officers effectively will control the outcome of this vote);

The plan of conversion is approved by a vote of at least a majority of the outstanding shares of common stock of CFF as of November 8, 2010, excluding those shares held by Capitol Federal Savings Bank MHC;

We sell at least the minimum number of shares of common stock offered; and

We receive the final approval of the Office of Thrift Supervision to complete the conversion; however, this approval does not constitute a recommendation or endorsement of the plan of conversion by that agency.

Subject to stockholder and regulatory approvals, we intend to fund the charitable foundation in connection with the conversion. Stockholder approval of the contribution to the Capitol Federal Foundation, however, is not a condition to the completion of the conversion and offering. The plan of conversion and the contribution to the charitable foundation have already been approved by members of Capitol Federal Savings Bank MHC at a meeting held on August 24, 2010.

Capitol Federal Savings Bank MHC intends to vote its ownership interest in favor of the plan of conversion and in favor of the contribution to the charitable foundation. At November 8, 2010, Capitol Federal Savings Bank MHC owned 71% of the outstanding shares of common stock of CFF. The directors, chairman emeritus and executive officers of CFF and their affiliates owned 2,094,616 shares of CFF, or 2.8% of the outstanding shares of common stock as of October 11, 2010. They have indicated their intention to vote those shares in favor of the plan of conversion and in favor of the contribution to the charitable foundation.

#### The Exchange of Existing Shares of CFF Common Stock

At the conclusion of the conversion, shares held by existing stockholders of CFF will be canceled and exchanged for shares of common stock of Capitol Federal Financial, Inc. The number of shares of common stock received will be based on an exchange ratio determined as of the conclusion of the conversion, which will depend upon the number of

shares sold in the offering and the percentage of CFF common stock then held by the public. The number of shares received will not be based on the market price of our currently outstanding shares. Instead, the exchange ratio will ensure that existing public stockholders of CFF will retain the same percentage ownership of our organization after the offering, exclusive of their purchase of any additional shares of common stock in the offering and their receipt of cash in lieu of fractional exchange shares. In addition, if options to purchase shares of CFF common stock are exercised before consummation of the conversion, there will be an increase in the percentage of shares of CFF held by public stockholders, an increase in the number of shares of common stock issued to public stockholders in the share exchange and a decrease in the exchange ratio. Approval of the plan of conversion will constitute approval of the exchange ratio, which is based on the current appraisal.

The following table shows how the exchange ratio will adjust, based on the number of shares of common stock issued in the offering and the shares of CFF common stock issued and outstanding as of June 30, 2010. The table also shows the number of whole shares of Capitol Federal Financial, Inc. common stock a hypothetical owner of CFF common stock would receive in exchange for 100 shares of CFF common stock owned at the completion of the conversion, depending on the number of shares of common stock sold in the offering.

	New Shares to be Sold in This Offering		New Shares to be Exchanged for Existing Shares of CFF		Total Shares of Common Stock to be Outstanding After the Offering	Exchange Ratio	New Shares That Would be Received for 100 Existing Shares
	Amount	Percent	Amount	Percent			
	Minimum	118,150,000	70.5 %	49,344,965			
Midpoint	139,000,000	70.5 %	58,052,900	29.5 %	197,052,900	2.6632	266
Maximum	159,850,000	70.5 %	66,760,835	29.5 %	226,610,835	3.0627	306

No fractional shares of Capitol Federal Financial, Inc. common stock will be issued to any public stockholder of CFF. For each fractional share that would otherwise be issued to a stockholder who holds a stock certificate, Capitol Federal Financial, Inc. will pay in cash an amount equal to the product obtained by multiplying the fractional share interest to which the holder would otherwise be entitled by the \$10.00 per share purchase price of the common stock in the offering. See “Proposal 1 — Approval of the Plan of Conversion and Reorganization — Exchange of Existing Stockholders’ Stock Certificates.”

Outstanding options to purchase shares of CFF common stock will convert into and become options to purchase shares of Capitol Federal Financial, Inc. common stock. The number of shares of common stock to be received upon exercise of these options will be determined pursuant to the exchange ratio. The aggregate exercise price, duration and vesting schedule of these options will not be affected by the conversion. At June 30, 2010, there were 405,031 outstanding options to purchase shares of CFF common stock, 305,081 of which have vested. These outstanding options will be converted into options to purchase 916,868 shares of common stock at the minimum of the offering range and 1,240,488 shares of common stock at the maximum of the offering range. Because Office of Thrift Supervision regulations prohibit us from repurchasing our common stock during the first year following the conversion unless compelling business reasons exist, we may use authorized but unissued shares to fund option exercises that occur during the first year following the conversion. If all existing options were exercised for authorized but unissued shares of common stock following the conversion, stockholders would experience dilution of approximately 0.54% at the minimum and maximum of the offering range.

#### How We Determined the Offering Range and the \$10.00 Per Share Stock Price

The offering range is based on an independent appraisal of the estimated market value of Capitol Federal Financial, Inc., assuming the conversion, the exchange and the offering are completed and the charitable foundation is funded with a cash contribution. We have retained RP Financial, LC., an appraisal firm experienced in appraisals of financial institutions, to perform our appraisal. In connection with the initial offering, RP Financial, LC. estimated that, as of May 28, 2010, our estimated pro forma market value was between \$2.05 billion and \$2.77 billion, with a midpoint of \$2.41 billion, which was a reduction from the value determined as of April 16, 2010, due to a decline in the market value of the appraisal peer group. The valuation was updated in accordance with Office of Thrift Supervision

regulations. Based on this valuation, the regulatory established range, the 71% ownership interest of Capitol Federal Savings Bank MHC being sold in the offering and the \$10.00 per share price, the number of shares of common stock previously offered for sale by Capitol Federal Financial, Inc. ranged from 144,500,000 shares to 195,500,000 shares. The \$10.00 per share price was selected primarily because it is the price most commonly used in mutual-to-stock conversions of financial institutions.

The initial offering was undersubscribed and interest in the syndicated offering was insufficient to sell the minimum number of shares. As required by applicable regulations, upon conclusion of the initial subscription, community and syndicated offerings, RP Financial, LC. submitted to Capitol Federal Savings Bank and the Office of Thrift Supervision an updated appraisal of the pro forma market value of the common stock of Capitol Federal Financial, Inc. RP Financial, LC. has estimated in its updated appraisal, dated as of August 30, 2010, that our pro forma market value was between \$1.67 billion and \$2.27 billion, with a midpoint of \$1.97 billion. The updated appraisal results in an offering range of the common stock to be sold of \$1.18 billion at the minimum and \$1.60 billion at the maximum, with a midpoint of \$1.39 billion. This is an 18.2% decrease from the midpoint valuation established by the appraisal report dated May 28, 2010. RP Financial, LC.'s August 30, 2010 appraisal update noted that, in decreasing the appraisal value, consideration was given to a continued decline in the market value of the appraisal peer group, and an analysis of recently completed conversion offerings and the results of the initial offering. In the 70 days prior to August 30, 2010, six second-step conversion transactions were completed. Of those six offerings, five were trading below their respective public offering prices as of August 30, 2010. The weak after-market performance of these recently completed second-step conversion offerings and concerns of limited after-market support for Capitol Federal Financial, Inc. common stock based on a closing valuation consistent with the minimum of the initial offering range were factors that contributed to the shortfall in orders. Given the amount of orders received and the recent performance of second-step conversion offerings, RP Financial, LC. applied a more significant downward adjustment for marketing the issue in arriving at its updated appraisal valuation as of August 30, 2010.

The appraisal peer group consists of the following companies, all of which are listed on the Nasdaq Stock Market. Total assets are as of June 30, 2010.

Company Name and Ticker Symbol <sup>1</sup>	Headquarters	Total Assets (in millions)
Washington Federal, Inc. (WFSL)	Seattle, WA	\$ 13,709
Flushing Financial Corp. (FFIC)	Lake Success, NY	4,252
Dime Community Bancshares (DCOM)	Brooklyn, NY	4,148
TrustCo Bank Corp NY (TRST)	Glenville, NY	3,829
Bank Mutual Corp. (BKMU)	Milwaukee, WI	3,483
First Financial Holding Inc. (FFCH)	Charleston, SC	3,324
Provident NY Bancorp, Inc. (PBNY)	Montebello, NY	2,964
Brookline Bancorp, Inc. (BRKL)	Brookline, MA	2,660
Danvers Bancorp, Inc. (DNBK)	Danvers, MA	2,529

(1) NewAlliance Bancshares of Connecticut, which was one of the peer group companies identified in the original appraisal, is the subject of an announced acquisition and therefore has been eliminated from the peer group.

The independent appraisal does not indicate actual market value. Do not assume or expect that the estimated pro forma market value as indicated above means that, after the offering, the shares of our common stock will trade at or above the \$10.00 purchase price.

The following table presents a summary of selected pricing ratios for the peer group companies and Capitol Federal Financial, Inc. (on a pro forma basis). The pricing ratios are based on earnings and other information as of and for the twelve months ended June 30, 2010, stock price information as of August 30, 2010, as reflected in RP Financial, LC.'s appraisal report dated August 30, 2010, and, for Capitol Federal Financial, Inc., the number of shares outstanding as described in "Pro Forma Data." Compared to the average pricing of the peer group, our pro forma pricing ratios at the maximum of the offering range indicated a premium of 87.9% on a price-to-core earnings basis and a discount of 15.4% on a price-to-tangible book value basis.



	Price to Core Earnings Multiple(1)		Price to Tangible Book Value Ratio	
Capitol Federal Financial, Inc. (on a pro forma basis, assuming completion of the conversion)				
Minimum	23.88	x	83.89	%
Midpoint	27.67	x	90.25	%
Maximum	31.35	x	95.51	%
Valuation of peer group companies, as of August 30, 2010				
Average	16.68	x	112.92	%
Median	14.41	x	115.79	%

(1) Information is derived from the RP Financial, LC. appraisal report and is based upon estimated core earnings for the twelve months ended June 30, 2010. These ratios are different from the ratios in “Pro Forma Data.”

Our Board of Directors, in reviewing and approving the independent appraisal, considered the range of price-to-core earnings multiples and the range of price-to-tangible book value ratios based upon the number of shares of common stock to be sold in the offering, and did not consider one valuation approach to be more important than the other. The estimated appraised value and the resulting discounts and premiums took into consideration the potential financial impact of the offering, the contribution to the charitable foundation and the repayment of junior subordinated debentures (debentures).

The independent appraisal also reflects the cash contribution to the Capitol Federal Foundation. The cash contribution to the charitable foundation will reduce our estimated pro forma market value. See “Proposal 2 — Contribution to the Charitable Foundation — Comparison of Valuation and Pro Forma Data With and Without the Contribution to the Charitable Foundation.”

RP Financial, LC. will reconfirm the independent appraisal prior to the completion of the conversion. If the estimated appraised value changes to either below \$1.67 billion or above \$2.27 billion, then, after consulting with the Office of Thrift Supervision, we may: terminate the offering and promptly return all funds; set a new offering range, promptly return all funds and give all subscribers updated information and the opportunity to place a new order; or take such other actions as may be permitted by the Office of Thrift Supervision and the Securities and Exchange Commission. See “Proposal 1 — Approval of the Plan of Conversion and Reorganization — Stock Pricing and Number of Shares to be Issued.”

#### How We Intend to Use the Proceeds From the Offering

Assuming we sell 118,150,000 shares of common stock in the stock offering, equal to the minimum of the offering range, and we have net proceeds of \$1.13 billion, we intend to distribute the net proceeds as follows:

\$565.7 million (50.0% of the net proceeds) will be invested in Capitol Federal Savings Bank;

\$47.3 million (4.2% of the net proceeds) will be loaned by Capitol Federal Financial, Inc. to the employee stock ownership plan to fund its purchase of shares of common stock;

\$40.0 million (3.5% of the net proceeds) will be contributed by Capitol Federal Financial, Inc. to the Capitol Federal Foundation;

\$53.6 million (4.7% of the net proceeds) will be used by Capitol Federal Financial, Inc. to repay outstanding debentures; and

\$424.8 million (37.5% of the net proceeds) will be retained by Capitol Federal Financial, Inc.

We may use the funds that we retain for investments, to pay cash dividends, to repurchase shares of common stock and for other general corporate purposes. Capitol Federal Savings Bank may use the proceeds it receives to support increased lending, including one- to four-family loan purchases, and other products and services. The net proceeds retained also may be used for future business expansion through acquisitions of banks, thrifts and other financial services companies, and opening or acquiring branch offices. We have no current arrangements or agreements with respect to any such acquisitions. Initially, a substantial portion of the net proceeds will be invested in short-term investments and mortgage-backed securities consistent with our investment policy.

## Benefits to Management and Potential Dilution to Stockholders Resulting from the Conversion

**Employee Stock Ownership Plan.** Our tax-qualified employee stock ownership plan expects to purchase up to 4.0% of the shares of common stock we sell in the offering, or 6,394,000 shares of common stock assuming we sell the maximum number of shares proposed to be sold. When these shares are combined with the existing shares owned by the employee stock ownership plan, the plan will own approximately 6.08% of the shares outstanding following the conversion. We reserve the right to purchase shares of common stock in the open market following the offering in order to fund all or a portion of the employee stock ownership plan. Assuming the employee stock ownership plan purchases 6,394,000 shares in the offering, 4.0% of the maximum of the offering range, we will recognize additional compensation expense, after tax, of approximately \$1.3 million annually over a 30-year period, assuming the loan to the employee stock ownership plan has a 30-year term and an interest rate equal to the prime rate as published in The Wall Street Journal, and the shares of common stock have a fair market value of \$10.00 per share for the full 30-year period. If, in the future, the shares of common stock have a fair market value greater or less than \$10.00, the compensation expense will increase or decrease accordingly. We also reserve the right to have the employee stock ownership plan purchase more than 4.0% of the shares of common stock sold in the offering if necessary to complete the offering at the minimum of the offering range.

**Stock-Based Incentive Plan.** We also intend to implement a new stock-based incentive plan no earlier than six months after completion of the conversion. Stockholder approval of this plan will be required. The stock-based incentive plan may reserve a number of shares up to 2.0% of the shares of common stock sold in the offering, or up to 3,197,000 shares of common stock at the maximum of the offering range, for awards of restricted stock to key employees and directors, at no cost to the recipients, subject to adjustment as may be required by Office of Thrift Supervision regulations or policy to reflect restricted stock awards previously made by CFF. If the shares of common stock awarded under the stock-based incentive plan come from authorized but unissued shares of common stock, stockholders would experience dilution of up to approximately 1.39% in their ownership interest in Capitol Federal Financial, Inc. The stock-based incentive plan may also reserve a number of shares equal to up to 5.0% of the shares of common stock sold in the offering, or up to 7,992,500 shares of common stock at the maximum of the offering range, for issuance pursuant to grants of stock options to key employees and directors, subject to adjustment as may be required by Office of Thrift Supervision regulations or policy to reflect stock options previously granted by CFF. If the shares of common stock issued upon the exercise of options come from authorized but unissued shares of common stock, stockholders would experience dilution of up to 3.41% in their ownership interest in Capitol Federal Financial, Inc. Restricted stock awards and stock option grants made pursuant to a plan implemented within twelve months following the completion of the conversion and the offering would be subject to Office of Thrift Supervision regulations, including a requirement that stock awards and stock options vest over a period of not less than five years. If the stock-based incentive plan is adopted more than one year after the completion of the conversion, awards of restricted stock or grants of stock options under the plan would not be subject to regulatory vesting requirements. We intend to fund the stock-based incentive plan through open market purchases rather than through the issuance of authorized but unissued shares of common stock, subject to future market conditions and regulatory limitations described below. For a description of our current stock-based incentive plans, see “Management — Compensation Discussion and Analysis” and Note 10 of the Notes to Consolidated Financial Statements.

The following table summarizes the number of shares of common stock and the aggregate dollar value of grants that are expected under the new stock-based incentive plan as a result of the conversion. The table also shows the dilution to stockholders if all such shares are issued from authorized but unissued shares, instead of shares purchased in the open market. A portion of the stock grants shown in the table below may be made to non-management employees.

Number of Shares to be Granted or Purchased(1)	Value of Grants(2)
At Minimum of	